Shares of Karnataka Ball Bearing Corporation

961. SHRI RAM RATAN RAM:
DR. SHRIKANT
RAMCHANDRA JICHKAR:

Will the Minister of FINANCE be pleased to state:

(a) whether an enquiry into the transactions of the purchase of 28 lakhs shares of Karnataka Ball bearing Corporation Ltd. by BIOFIN has been completed, if so, when and by whom;

(b) who are held responsible for the irregularities;

(c) who are the ones against whom prosecution has not yet been launched and who continue to hold high offices in banks; and

(d) by when they will be removed and prosecuted?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): (a) to (d) The information is being collected and will be laid on the Table of the House.

Frauds in PNB

962 SHRI VIRENDRA KATARIA: Will the MINISTER OF FINANCE be pleased to state:

(a) whether Government are aware of frauds in the Punjab National Bank;

(b) whether it is also a fact that the corrupt culture has further gained momentum as a result of extension of five years given to its present Chairman;

(c) details of cases in which the General Manager (Inspection) has indicted the Manager in PNB for various illegal transaction at B/o I.G.N.O. New Delhi and the action taken against the official concerned; and

(d) other details of the fraud cases reported on the PNB during the last 2 years and the names of officials involved in those cases?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): (a) to (d) Punjab National bank have reported that during the year 1993-94 and 1994-95, 194 frauds involving an amount of Rs. 35.52 crores were reported to RBI. During the same period, the bank have charge sheeted 150 employees for the frauds out of which 12 employees were convicted/penalised, PNB have also reported that frauds in 6 Overdraft/ Demand Loan Accounts of staff members and a party involving an amount of Rs. 26.47 lacs occurred during 1991—93 at their Indira Gandhi National open University (IGNOU) Branch. The bank has initiated disciplinary proceedings against 4 officials for these frauds and also called explanations from 6 other officials for the lapses.

Ban on Police Torture scenes in the Films

963. SHRI S. MADHAVAN: Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether Governemnt are aware that scenes with police tourture of the accused to get confessions are allowed in films by the Censor Board;

(b) whether the United Nations convention enjoins every signatory nation to ensure that all acts of torture are offences under its criminal law; and

(c) if so, what steps are taken to ban such scenes in films?

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING (SHRI K. P. SINGH DEO): (a) Some films presented to the Central Board of Film Certification do contain scenes with police forture of the accused to get confessions. However, all films intended for public exhibition are examined by the Board in accordance with the guidelines issued by Government for certification of films. According to these guidelines, the Board shall ensure (interalia that pointless or avoidable scenes of violence, cruelty and horror,

scenes of violence primarily intended to provide entertainment and such scenes as may have the effect of desensitising or dehumanising people are not shown.

(b) Yes, Sir. India is not a signatory to the United Nations Convention of TORTURE. However, torture to extract confessions is prohibited under specific provisions of IPC and CrPc.

(c) The guidelines issued under Cinematograph Act and Rules are sufficient safeguards.

Operational Flexibility to Banks by world bank

964. SHRIMATI KAMLA SINHA:
DR. BAPU KALDATE:

Will the Minister of FINANCE be pleased to state:

(a) whether the World Bank has suggested for providing more operational flexibility to commercial banks and investments institutions to spur active assest liability management in India's financial sector.

(b) the steps suggested by the Bank for broadening the investor's base for primary issues; and

(c) the reaction of the Government to the suggestions made by the World bank in this regard?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH: (a) to (c) Information is being collected and will be laid ont he table of the House.

Report of Limaya Committee on M.S. shoes Scandal

965. DR. SANJAYA SINH: Will the Minister of FINANCE be pleased to state:

(a) whether the Limaya Committee which was set up to probe in the wake of M.S. Shoes scandal at the instance of Security and Exchange Board of India, has submitted its report;

(b) if so, what are the salient features of the report; and

(c) the action taken thereon?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): (a) Yes, Sir.

(b) The main conclusions and suggestions made by the Committee are given in the enclosed statement (*See* below)

(c) Shri A.N. Kolhatkar, the Executive Director of the Bombay Stock Exchange submitted his resignation on 19th June, 1995 and it was accepted by the Governing Board of the Exchange in the meeting held on that day. SEBI is pursuing with the Bombay Stock Exchange to introduce required reforms in the light of the suggestions made by the Committee.

Statement

Main conclusions and suggestions referred to in reply to part (b) of the Rajya Sabha unstarred Question No. 965 for 8th August, 1995.

(a) Main conclusions:

(i) M/s. R.S. Jhaveri, a mumber of the Bombay Stock Exchange, was building up a large position in the shares of M/s. M.S. Shoes East Limited for six to seven months prior to his being declared a defaulter on 18th March, 1995;

(ii) The default of M/s. R.S. Jhaveri is a consequence of several factors such as the failure of Shri A.N. Kolhatkar, the Executive Director of the Bombay Stock Exchange, in the area of gathering market intelligence, and the failure of the Bombay Stock Exchange in collection of adhoc margins and functioning as an efficient and effective self-regulatory organisation.

(b) Main suggestions:

(i) The margin system should be clearly spelt out and enforced in an